CASE STUDY

PEP and Sanctions Checks: NewDay

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Gareth Inman, Senior AML Manager

"Playing a giant game of Snap!" – how LexisNexis® Risk Solutions is helping NewDay with PEP and sanctions screening

As one of the UK's leading consumer credit finance firms, NewDay relies on technology to provide its customers with a range of credit solutions. With a growing customer base, technology is also playing an increasingly larger role in ensuring that NewDay complies with its regulatory requirements under 'Know Your Customer' (KYC) and sanctions responsibilities.

As with any business in the financial services sector, NewDay has a regulatory mandate to ensure that it is screening its customers - both existing and new - against sanctions and Politically Exposed Persons (PEPs) lists to comply with the 4th Money Laundering Directive and other regulations of this nature.

Screening high volumes of customers

NewDay uses LexisNexis® Bridger Insight® XG to screen around 7 million records against these PEP and sanction lists daily, including new applicants for its credit products alongside its entire existing back book. Gareth Inman, Senior AML Manager for NewDay, notes: "Because of the scale of the records we're putting through the tool, it does what we need it to in terms of customer volumes, combined with being able to set your own confidence score, so we can get comfort in the matches it provides."

Gareth himself has been a longstanding customer of Bridger Insight XG throughout his career, and credits LexisNexis Risk Solutions' market-leading technology as the reason why he keeps coming back. He adds: "We seek to use whichever tool is best in the sector, and we know Bridger is well-received by all, which is good."

Efficient and adjustable depending on risk appetite

For NewDay, the reason Bridger Insight XG is market-leading is all down to the core functionality. The business gets comfort in the matches flagged by the tool, as it is able to set its own confidence scores and use fuzzy logic, so the software knows exactly what data it's looking for. The screening software's accept list function is also crucial - as Gareth Inman explains - "because of the scale of what we're sending through the tool, the fact that the accept list works so well is crucial."

By using this feature, NewDay is able to reduce the number of records alerted at any one time exponentially, as once customers are cleared during the screening process, they will not be re-alerted unless the data on the list or their file changes in some way. This allows the team to be "fairly slick in terms of the numbers", according to Gareth.

The functionality provided by Bridger Insight XG enables "seamless functionality" for the business, from the initial loading of the files into the system through to what Gareth notes is a "big game of snap" in matching the customer base against names on HM Treasury, EU, OFAC and other sanctions and PEP lists. Gareth explains: "In terms of PEP and sanctions screening, we always call it out to the necessary regulatory agency - we will always prioritise delivering the regulatory mandate that we are bound by."

User-friendly functionality combined with supportive teams

The relationship with the LexisNexis Risk Solutions team has been a key factor for NewDay. Four years ago, product consultants came over to the UK from Bozeman, Montana to complete the installation of the project. Chris Leatherland, NewDay's Head of Financial Crime, notes that "the team priced up to be here for five days but actually delivered everything in three and a half! They're technically very sound and walked us through what we needed to know with no jargon". It's this 'no nonsense' approach combined with genuinely user-friendly functionality that NewDay values as being "refreshing" in the market several years down the line.

Chris continues: "The beauty about LexisNexis Risk Solutions - including the Managing Director and our relationship manager - is they don't try to sell us anything we don't need! Their technical knowledge is 100% relevant to the product you want to buy - that's refreshing. We're able to select the services and component parts we want and we only pay for those - we can't underplay how important that is to us."

Outside of PEP and sanctions checks, NewDay also uses Bridger Insight XG - alongside LexisNexis® WorldCompliance Data™ - to screen against adverse media. This area is also very important to NewDay, as this information isn't collectively available easier through any other routes. As long as LexisNexis Risk Solutions continues to be on its "A-game" here, Chris notes, then NewDay couldn't ask for anything more.

To find out how we can help you and your business, call 029 2067 8555 or email ukenquiry@lexisnexis.com

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